

## How Manulife Financial Corp. Continues to Grow

### Description

As the largest insurer in Canada, **Manulife Financial Corp.** ([TSX:MFC](#))([NYSE:MFC](#)) is faced with a unique challenge. With one in three Canadians as a client and a massive footprint spanning into the U.S. as well as in Asia, the insurance behemoth remains a strong investment option for many.

Here's why you should consider investing in Manulife if you haven't already done so.

### Manulife's portfolio is growing

The Canadian insurance market is arguably fairly saturated. Manulife already counts a significant portion of the population as clients, and there's only so much cross-selling of products that a company can do.

Manulife realized this and has been aggressively expanding into other markets over the past few years. The Asian market in particular has been a strong driver of growth for the company, where Manulife has a presence in nearly every country.

Part of the reason why Manulife has been able to expand rapidly into Asia is due to a number of deals with local partners in Asia. A prime example of this is the agreement with DBS Group Holdings Ltd. in Singapore, which granted exclusive rights of wealth management products to Manulife both in Singapore as well as to DBS's clients across Asia.

In terms of results, sales from the Singapore market are up by over 500% in the past year, and other markets such as Vietnam and the Philippines are recording year-over-year increases of over 50%.

### Manulife's current expansion will fuel even more growth in the future

The sheer genius of Manulife's Asian expansion is two-fold. The company is not only in a position to grow into a new market but, more importantly, Manulife is getting an early foothold into the fastest-growing market in the world. Emerging markets in Asia have seen a middle-class explosion, where newfound wealth is creating demand for the insurance products that Manulife offers.

In terms of how big the emerging market economy could be to investment managers, some experts peg the value of assets to be passed on to the next generation to be in excess of US\$30 trillion.

The Asian segment of Manulife's business already accounts for a third of the company's earnings and half of insurance sales. This figure is likely to increase further in the next few years assuming current trends continue.

### Manulife provides a great dividend

Looking beyond the growth prospects of the company, which are significant, Manulife also pays a great dividend. The company currently pays out a quarterly dividend of \$0.19 per share, which—at the current

stock price of \$18.17—gives the stock a very healthy yield of 4.07%.

Manulife was one of many financial stocks that dropped as a result of the Brexit last month, but the stock has nearly recouped most of those losses since then. Year-to-date the stock remains down by 12.3%, but given Manulife's strong results and increasing presence in the rapidly growing Asian market, this drop could be seen as a discount price for investors looking to buy.

In my opinion, Manulife remains a strong option for any portfolio. The company continues to post strong results and has been aggressively expanding into the Asian market, where there's lucrative potential for the company over the long term.

## CATEGORY

1. Bank Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:MFC (Manulife Financial Corporation)

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